FINANCIAL MARKET REVIEW

June 2024

Endeavour Education Excellence

Contents

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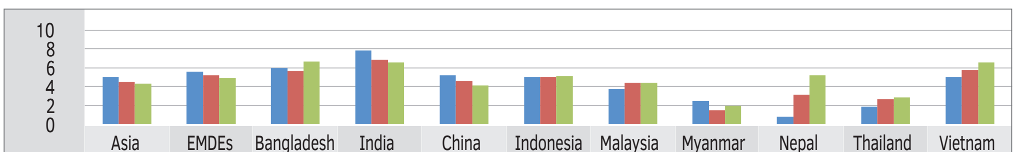
The BICM Financial Market Review provides analytical insights about the performance of the financial market in Bangladesh on a monthly basis.

Economy of Bangladesh

An Unconditional Support from Migrant Workers: Remittance Inflows to Bangladesh Increased by 32.35 Percent YoY to $2.25 Billion as of May 2024

— Md. Adnan Ahmed, Lecturer, BICM

By late 2023, growth in Asia and the Pacific region had surpassed forecasts and was averaging five percent for the year. Emerging Markets and Developing Economies (EMDEs) has experienced 5.6 percent growth whereas it is expected to grow by 5.2 and 4.9 percent in 2024 and 2025 respectively. Interestingly, Bangladesh has surpassed the average EMDEs' growth to six and is expected to grow by 5.7 and 6.6 percent in 2024 and 2025 respectively [Fig-01].



	Asia	EMDEs	Bangladesh	India	China	Indonesia	Malaysia	Myanmar	Nepal	Thailand	Vietnam
2023	5	5.6	6	7.8	5.2	5	3.7	2.5	0.8	1.9	5
2024*	4.5	5.2	5.7	6.8	4.6	5	4.4	1.5	3.1	2.7	5.8
2025*	4.3	4.9	6.6	6.5	4.1	5.1	4.4	2	5.2	2.9	6.5

2023 2024* 2025*

Figure 01: Economic Forecasts: Asia and the Pacific Source: IMF

May saw an increase in inflation to 9.89 percent, primarily due to higher food prices. In contrast to non-food inflation, which decreased by 15 basis points to 9.19 percent from 9.34 percent, food inflation increased by 54 basis points to 10.76 percent from 10.22 percent [Fig-02].

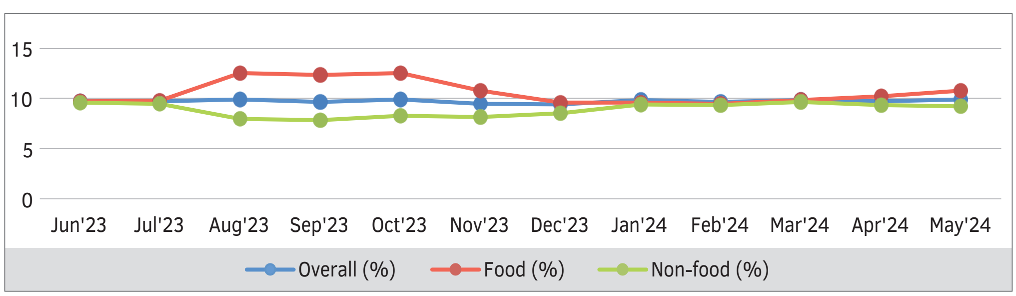


Figure 02: Inflation Rate in Bangladesh Source: Bangladesh Bureau of Statistics

Investment to GDP ratio demonstrates a stagnant position, hovering around 30.98%. [Fig-03].

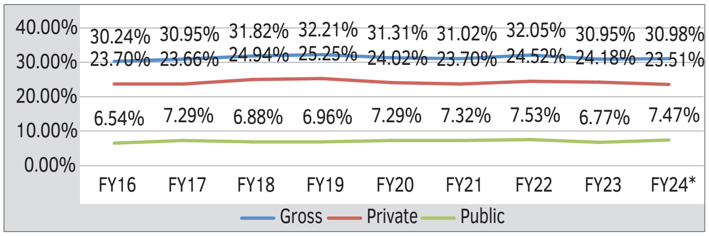


Figure 03: Investment to GDP Ratio

*Provisional; Source: Bangladesh Bureau of Statistics

The nation had reserves of more than $40 billion as of June 2022. However, since then, it has been progressively falling as a result of fewer inflows from export earnings and remittances and increased outflows caused by rising commodity prices. The reserve stood at $18.6 billion as of May 2024 [Fig-04].

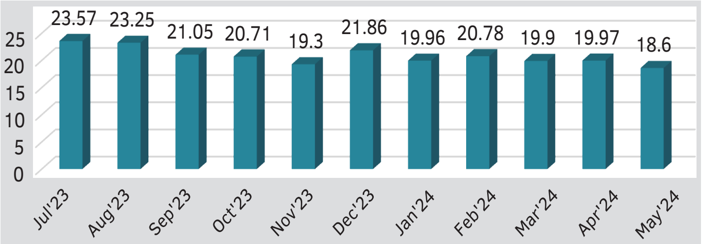


Figure 04: Forex Reserve Source: Bangladesh Bank

For the first time in four months, monthly exports in April fell well short of USD 5 billion. This was mostly because of lower export prices, a decline in demand in the two largest markets—the USA and the EU. However, year-over-year negative growth is only 1.0%. Due to Bangladesh Bank's strict steps to control import activity in the face of a dollar shortage, imports fell below USD 5 billion for two consecutive months, with an 8.0% YoY fall in Mar-24 [Fig-05].

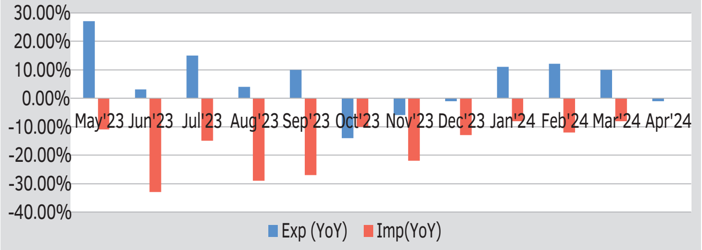


Figure 05: Export and Import Growth Source: Bangladesh Bank

The financial account deficit crossed the $8 billion mark in the July-February period of the FY 2023-24, owing to increased trade credit deficit and loan repayment pressure [Fig-06].

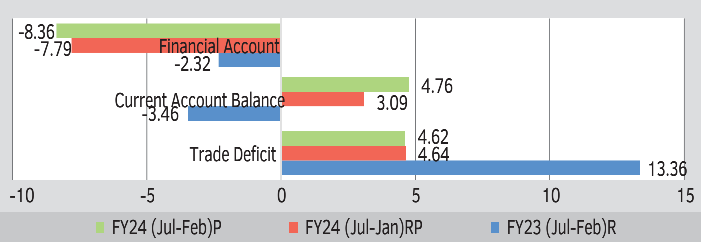


Figure 06: Bangladesh's External Position Source: Bangladesh Bank

Remittance inflows to Bangladesh increased by 32.35 percent year-over-year to $2.25 billion as of May 2024 [Fig-07].

Figure 07: Foreign Remittance Source: Bangladesh Bank

Market capitalization to GDP dropped to 12.00 percent in May 2024 owing to extended free fall throughout the month [Fig-08].

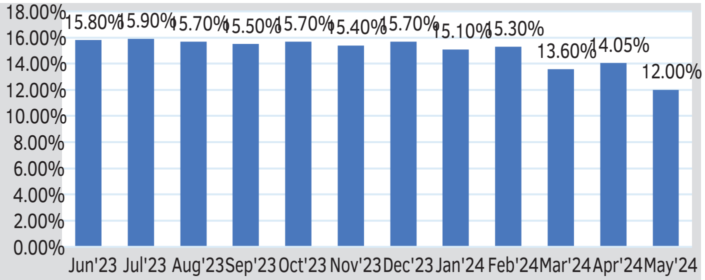


Figure 08: Market Capitalization to GDP Source: EBLSL Research

Insights from Numbers

> Stagnant Investment to GDP could hinder long term growth. Specifically, if we want to attain 8.51 percent GDP by next year as projected in the 8th five-year plan, we need to rise investment to GDP to 36.59 percent by FY25. However, rising cost of borrowing and soaring inflation can be big challenges for the businesses to contribute to GDP.

> Despite a number of stern measures, foreign currency reserve continues to decline. However, the foreign exchange reserves situation of Bangladesh is expected to stabilize over the coming months, according to projections made by US ratings agency Moody's. Such improvement will be supported by the modest surplus of current account balance, reflecting the ongoing import restrictions.

> Remittance inflows rise ahead of Eid-ul-Azha because the nation's migrant workers usually send comparatively more money to home before the main Muslim religious festival. The crawling peg system's implementation is anticipated to reduce exchange rate volatility, therefore increase the amount of foreign currency through exports and remittances.

> The moderate export growth results from reduced demand in the two major export destinations- the USA and the EU.

> Market capitalization to GDP, one of the key indicators to gauge capital market contribution to GDP, has been consistently low. If we compare with our peer countries, we can state that our market is undervalued according to this indicator.

Volatility Wave:
Capital Market Index Drops for Third Consecutive Month in May, Decreasing by 6.48%

Capital Market

Imran Mahmud, Lecturer, BICM
Faima Akter, Lecturer, BICM

In May, the Bangladesh stock market experienced a notable decline, with the prime index dropping by 364 points, or approximately 6 percent. This decline pushed the index to a 38-month low of 5252, reflecting a 17 percent loss over recent months and a market value reduction of Taka 1.39 trillion. Persistent pessimism and uncertainty among investors caused by persistent high treasury yields, proposed capital gain tax and geopolitical tensions have fueled this relentless downturn.

After analyzing the stock market snapshot for May 2024, it is evident that all DSE market indices have demonstrated negative changes from previous month. DSES has dropped the most with a 7.2% decline. The number of scripts with a price fall is higher than the number of scripts that had prices up when compared to the previous month [Table-01 and Figure-01 & 02].

Index Name	2-May-24	30-May-24	Change	% Change
DSEX	5,615.65	5,251.96	- 363.69	- 6.48%
DSES	1,232.43	1,143.70	- 88.73	- 7.20%
DS30	2,007.86	1,874.84	- 133.02	- 6.62%
CDSET	1,063.17	1,008.71	- 54.46	- 5.12%
DSMEX	1,599.58	1,520.08	- 79.5	- 4.97%
ScriptsMovement (Monthly Average)	Advanced		Declined	Unchanged
	125		228	40

Table 01: DSE Market Indices

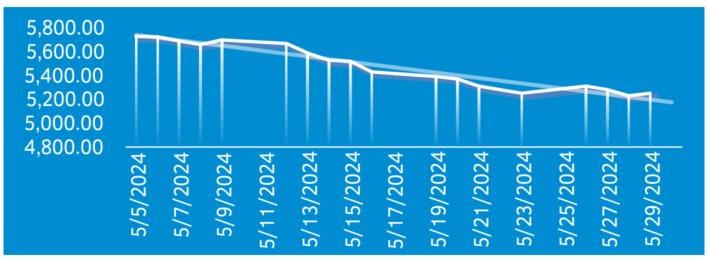


Figure 01: DSEX

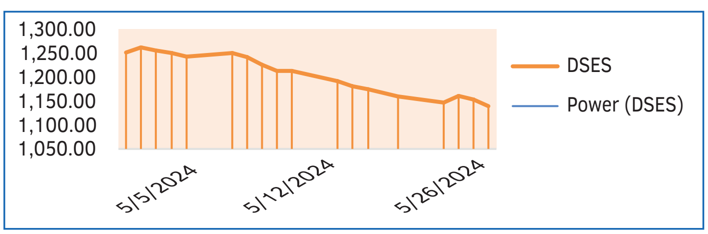


Figure 02: DSES

During May, on average, only 125 issues advanced, 228 issues declined, and the remaining 40 issues closed unchanged. Based on the Advance-Decline (AD) ratio, which compares the number of stocks that increased in value to the number of stocks that decreased in value, it is clear that the 20 trading days in May represented a significant pullback-correction cycle throughout the month, with the AD ratio peaking and plunging around three times during the last week of the month [Figure-03].

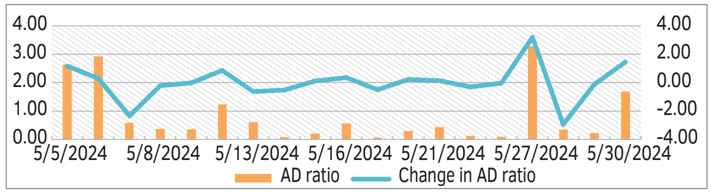


Figure 03: Advance Decline Ratio

The stock market started the month on a negative note following the previous month's decline, as local and foreign investors rushed to offload their holdings due to prolonged price stagnation in many stocks, and the trend worsened as the month progressed. The decline was particularly sharp in the major indices of the country. Not surprisingly, the total traded value increased by 28.46%, with the average number of trades and trade volume seeing an increase of 14.51% and 30.57%, respectively [Table-02]. It is worth noting that this increase in trading volume is a sign of the investors' pulling out their investment from the market. The average market capitalization decreased by 0.8% in May. Despite the regulatory move limiting stocks' daily allowable correction to 3 per cent from 10 per cent, stockbrokers associations branded this "artificial" and called for no intervention from regulators to maintain market stability.

	30 May 2024	30 April 2024	Change	% Change
Average Market Capital (TK Million)	6,882,454.51	6,937,703.66	-55,249.14	-0.80%
Average Traded Value (TK Million)	6,677.77	5,198.44	1,479.33	28.46%
Average Number of Trades	161,588.00	141,115.44	20,472.56	14.51%
Average Trade Volume	204,051,235.20	156,278,651.56	47,772,583.64	30.57%

Table 02: Market Aggregates

Several factors have contributed to the decrease in investment in the market. Frequent regulatory changes have negatively impacted market stability. Additionally, the removal of floor prices led foreign investors to sell off their holdings, exacerbating the situation. Moreover, concerns regarding higher interest rates, a depreciating local currency, and increased import costs have diminished the profitability of listed companies. The recent spike in treasury bond rates, reaching a 15-year high of 12.75 percent, along with rising bank deposit and lending rates following changes in interest rate calculation methods, have further deterred investment. External and internal factors have also contributed, with inflation persisting above 9 percent for the past 20 months, resulting in a prolonged cost-of-living increment.

Proposed regulatory changes aim to streamline margin loan processes in the financial market. Presently, merchant banks and stockbrokers follow separate rules, leading to confusion. Under the new rules, investors with less than Tk 1 million invested in stocks over the past year won't qualify for margin loans. Loans will not be extended for investments in financially unstable companies. Companies must have a minimum paid-up capital of Tk 300 million to be considered as marginable stock. Both stockbrokers and merchant banks must meet capital adequacy requirements for lending. Additionally, lenders must maintain separate bank accounts for margin loan transactions. These changes are designed with an aim to stabilize the market.

Currently, there are 13 Initial Public Offerings (IPOs) in the pipeline awaiting approval from BSEC. Out of these, 5 IPOs are applying for the SME board, while the remaining 8 companies are applying for the main board. In addition, Techno Drugs Ltd. has conducted its bidding and its public subscription opens on 9 June 2024 with an offer price of BDT 24 per share which is expected to bring a positive impact on the capital market of Bangladesh.

On average, the market PE ratio of the Dhaka Stock Exchange Limited this month was 12.97 which was 13.27 in the previous month. ASIATICLAB emerged as the top company with the highest turnover, while BIFC was the top gainer with a substantially 91.80% increase in price over the month. On the other hand, SONALIANSH was the top loser [Table-03]. In terms of sector return, almost all sectors showed positive return except Travel and Leisure, Telecommunication, NBFI, Jute, and Ceramics sector. Travel and Leisure lost over 56% during the month [Figure-05]. In terms of sectoral turnover, the Pharmaceuticals, Textile, and Food sectors had around 46% of the total turnover [Figure-06].

Turnover				Gainer			Loser		
Sl	Stock	Turnover	Total (%)	Sl	Stock	Return(%)	Sl	Stock	Return(%)
1	ASIATICLAB	420.88	-19.52%	1	BIFC	91.80%	1	SONALIANSH	-61.31%
2	ORIONPHARM	374.64	-3.91%	2	GHCL	41.30%	2	HRTEX	-32.83%
3	LOVELLO	370.73	-4.92%	3	MITHUNKNIT	35.75%	3	BEACONPHAR	-30.77%
4	ORIONINFU	357.33	-17.72%	4	RELIANCE1	34.87%	4	SONALIPAPR	-29.49%
5	BESTHLDNG	334.11	-11.35%	5	GLDNJMF	32.03%	5	AFTABAUTO	-28.68%

Table 03: Top Five Turnover, Gainer, and Loser

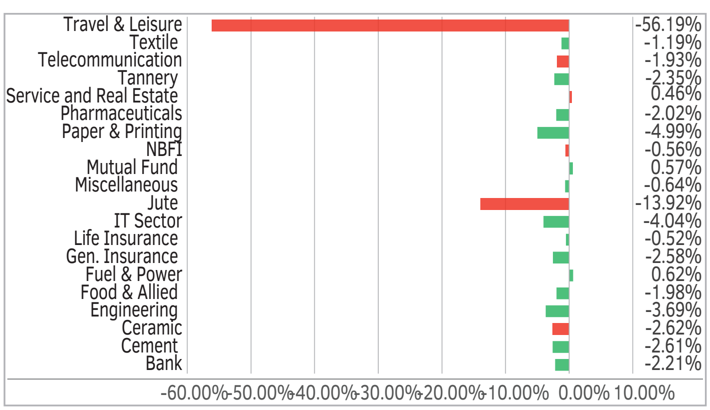


Figure 04: Sector-wise Market Return

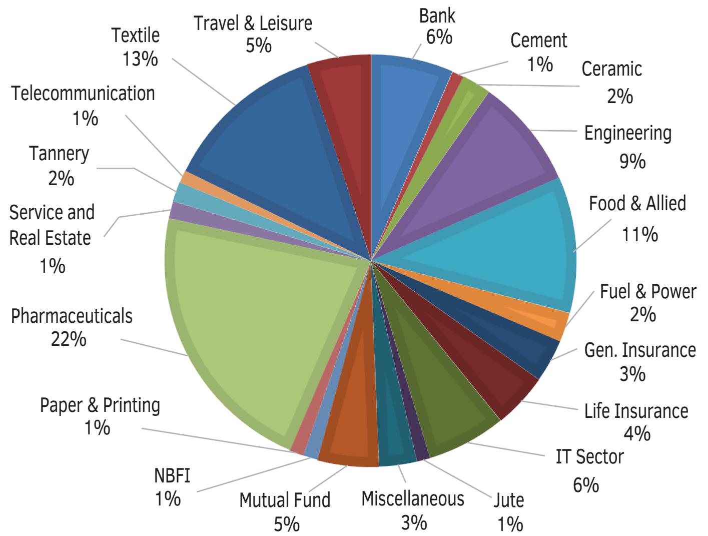


Figure-05: Sectoral Contribution in Turnover

Comparing the returns of major indices across the globe reveals notable trends. In May, the UK's FTSE 250 index displayed the highest positive return of 3.83%, outperforming other countries. The USA's DOWJONES index also showed a positive return, albeit more modestly, at 0.95%. Meanwhile, Japan's Nikkei 225 index achieved a slight gain of 0.21%, while India's BSESENSEX index saw a decline of 0.70%. Bangladesh's DSEX index encountered a significant decline, plummeting by six percent [Table-04]. Observing the global commodity futures market in May, two commodities stood out with positive trends: natural gas and gold. Natural gas witnessed the most significant surge, soaring by an impressive 29.80%, while gold also experienced a notable increase of 2.02%. Conversely, the majority of other major commodities faced negative trends during the same period. Sugar saw a decline of 5.76%, while cotton and crude oil experienced decreases of 2.58% and 5.08% respectively. Soybean, however, bucked the downward trend, recording a modest increase of 5.38%. [Table-05].

Country	Index Name	Return
India	BSESENSEX	-0.70%
USA	DOWJONES	0.95%
Japan	Nikkei 225	0.21%
UK	FTSE 250	3.83%
Bangladesh	DSEX	-6.48%

Table-04 Performance Comparison of World's Major Index

Commodity name	Return
SUGAR	-5.76%
NATURAL GAS	29.80%
COTTON	-2.58%
SOYBEAN	5.38%
GOLD	2.02%
CRUDEOIL	5.08%

Table-05 Performance Comparison of Commodity Futures

Bangladesh's capital market is gearing up for some exciting changes that promise positive outcomes. One of these changes involves updating Margin Loan Rules to make the market stronger. There are also other new rules and regulations in the works, showing that efforts are being made to boost the market, especially considering the challenges from COVID-19 and global uncertainties.

Data source: Websites of DSE, Lanka Bangla Finance Portal and The Financial Express.

While Deposits and Credits are Growing, Money Market is Struggling with Rising Inflation and Persistent Liquidity Crisis.

Gourav Roy, Lecturer, BICM

Money Market

The growth of the deposits and credits of the scheduled banks from February 2024 to March 2024 is 1% for both cases. If the growth is compared to March 2023, it is 10% in the case of deposits and 12% in the case of total credit (Tables 1 and 2).

Deposits held in DMBs	(Taka in Crore)				
				Percentage Changes	
Items	Mar, 2024	Feb, 2024	Mar, 2023	Mar, 2024 over Feb, 2024	Mar, 2024 over Mar, 2023
Demand Deposits	193,626	190,168	179,889	2%	8%
Time Deposits	1,481,867	1,471,482	1,343,408	1%	10%
Total Deposits	1,675,493	1,661,649	1,523,296	1%	10%

Table 1: Deposits Held in Deposit Money Banks (DMBs)

Banks' Credit	(Taka in Crore)				
				Percentage Changes	
Items	Mar, 2024	Feb, 2024	Mar, 2023	Mar, 2024 over Feb, 2024	Mar, 2024 over Mar, 2023
Advances	1,583,780	1,563,275	1,428,737	1%	11%
Bills (Import & Inland)	34,393	32,739	36,276	5%	-5%
Investments	392,880	387,183	334,799	1%	17%
Total Credits	2,011,054	1,983,198	1,799,812	1%	12%

Table 2: Total Credit of the Deposit Money Banks

Notes: Deposits exclude interbank deposits and government deposits. Advances include loans and advances, money at call, balances & reverse repo with NBFIs' accrued interest. Investments include treasury bills, treasury notes, treasury bonds, shares & securities with accrued interests.

From July 2023 to April 2024, the average call money rate has risen from 6.3% to 8.81% and from March 2024 to April 2024 the average call money rate has risen from 8.75% to 8.81% (Figure 1).

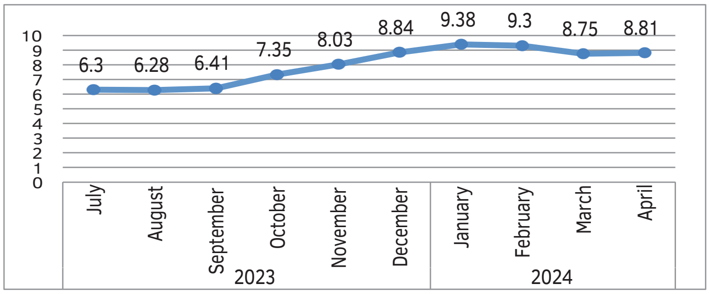


Figure 1: Average Call Money Rate

The total liquidity estimates from June 2023 to March 2024 suggest that the total liquidity in the banking sector has significantly decreased, but increased by almost 50% from February 2024 to March 2024 (Figure 2).

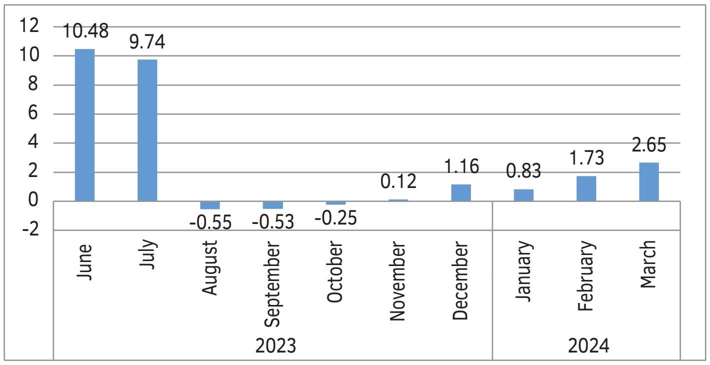


Figure 2: Key Percentage Changes in Total Liquidity

The key indicators of money market credit show that net credit to the government has significantly grown in March 2024 compared to the previous months of 2024. The credit to other public sectors has decreased by 0.34% from February 2024 to March 2024. The credit to the private sector has increased by 1.45%, and total domestic credit increased by 1.68% from February 2024 to March 2024 (Figure 3).

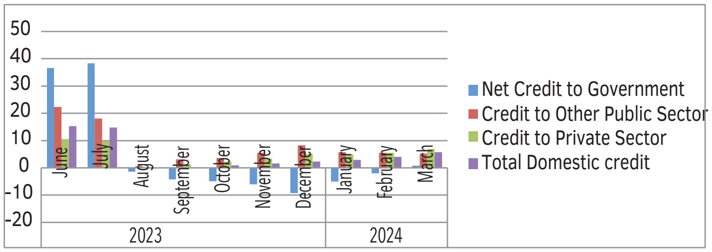


Figure 3: Key Percentage Changes in Money Market Credit Indicators

The weighted average interest rates of banks in Figure 4 suggest that the average lending rate is now 10.36% in March 2024, which is a 0.31% increase from February 2024. On the other hand, the average deposit rate is 5.17% in March 2024, which is a 0.16% increase from February 2024.

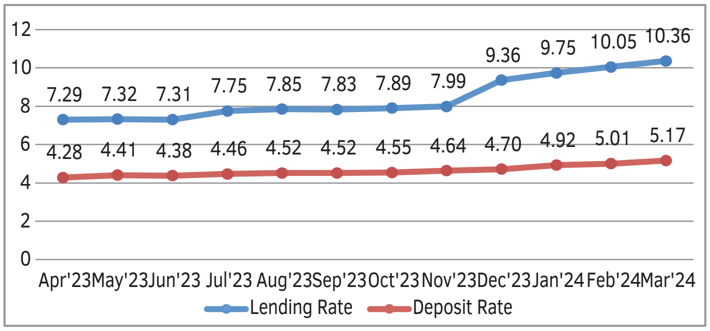


Figure 4: Weighted Average Interest Rates of Banks

The yield curve in Figure 5 shows the cut-off yield for different terms of treasury bills and treasury bonds, ranging from a 91-day T-Bill to a 20-year T-Bond.

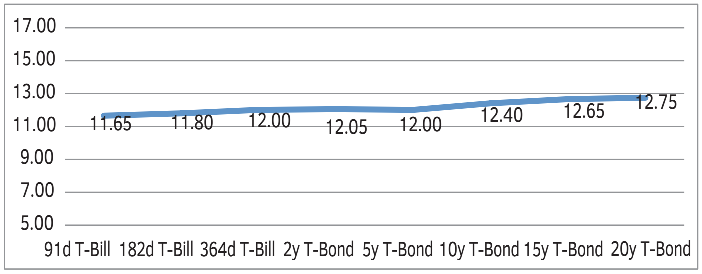


Figure 5: Cut-Off Yield for Treasury Bills and Treasury Bonds

Figure 6 clearly shows that the growth of the number of Mobile Financial Services (MFS) transactions is higher than agent banking transactions in March 2024.

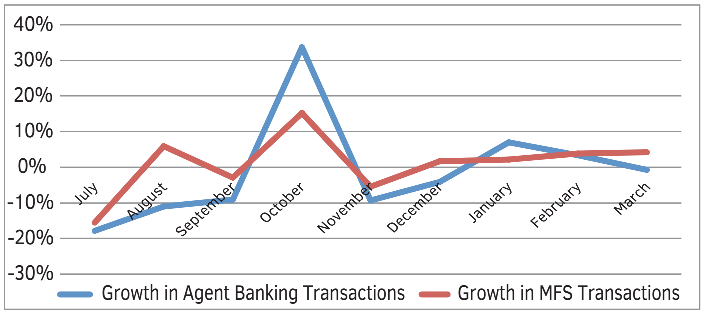


Figure 6: Growth in Agent Banking Transactions vs. MFS Transactions

Figure 7 shows the growth of the total investment under national saving schemes, where there is a 6% decrease from February 2024 to March 2024.

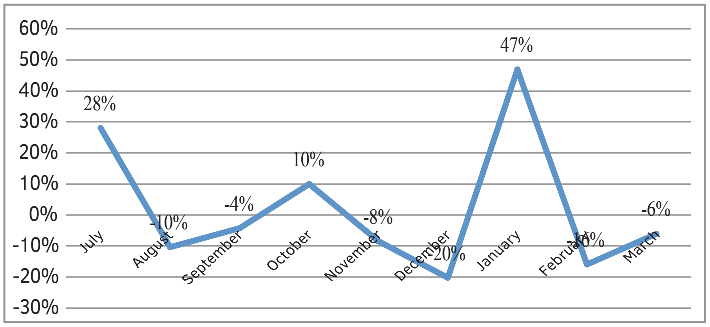


Figure 7: Growth of Total Investment under National Saving Scheme

Figure 8 shows that the money circulation, which is an accumulation of Bangladesh Bank notes and government notes and coins, increased by 2% from February 2024 to March 2024.

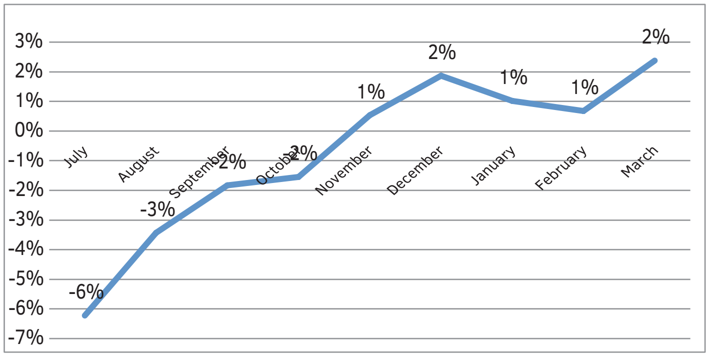


Figure 8: Growth in Currency Circulation

Key Takeaways

1. The banks' deposits and credits seem to have increased by 1% in both cases from February 2024 to March 2024. The growth in deposits is 10%, and in credits 12% in March 2024 when compared to March 2023.
2. The average call money rate increased by 0.04% from February 2024 to March 2024. If considered year-on-year growth, it shows 2.51% growth from March 2023 to March 2024.
3. Despite the continuous decrease in liquidity of the banks, M2 showed a positive growth of 2.65% in March 2024.
4. Net credit to the government increased significantly in March 2024 compared to previous months, while credit to other public sectors decreased by 0.34%. Private sector credit increased by 1.45%, and total domestic credit increased by 1.68% in March 2024.
5. In March 2024, the average lending rate increased by 0.31% from February 2024, while the average deposit rate rose by 0.16% from February 2024.
6. In terms of investment in government T-Bills and T-Bonds, the cut-off yield is peaking up in several categories.
7. In March 2024, the growth of mobile financial services (MFS) transactions was higher than that of agent banking transactions. Also, the development of MFS transactions was positive, while the growth of agent banking transactions was negative in March 2024.
8. From February to March 2024, total investment under national saving schemes decreased by 6%.
9. From February to March of 2024, the money circulation, including Bangladesh Bank notes, government notes, and coins, experienced a 2% increase.

Data Source: Bangladesh Bank Website

Faima Akter
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Gold Investment: Global and Bangladesh Perspective

Insights

Gold has always been recognized as a reliable and valuable asset, frequently acting as a safe haven during economic downturns. Despite global economic swings, gold remains a safe haven against inflation and currency depreciation. Its liquidity and widespread acceptability make it an appealing asset for both individual investors and institutions. The price of gold has been increasing over the past twenty years (Figure 01). As of June 2024, gold is trading at approximately $2,360 per ounce.

Figure 1: Gold price over the last 20 years in US$ (Source: goldprice.org)

This price reflects sustained demand driven by global economic instability and geopolitical tensions. The current market dynamics highlight gold's role as a reliable investment during periods of financial uncertainty. Bangladesh's burgeoning middle class and increasing awareness of diversified investment portfolios have spurred interest in gold. Investment in gold can be done in two ways, direct and indirect. Adding gold to investment portfolio may fight against global instability and inflation.

Current Trends in Gold Investment

Gold remains a critical asset for investors, providing a hedge against inflation, currency fluctuations, and market volatility. Here are some current trends and considerations for those looking to invest in gold:

Economic Uncertainty and Inflation

Gold's role as a hedge against inflation and economic instability is well-established. With ongoing concerns about inflation and the stability of major economies, many investors are turning to gold to protect their wealth. Central banks have also continued to add gold to their reserves, further indicating confidence in its value as a safeguard. Most of the developed countries are at the upper positions in terms of gold reserves (Figure 2). A study by the Bangladesh Institute of Development Studies (BIDS) found that gold purchases increased by 20% during the initial months of the pandemic, reflecting its perceived security.

Market Volatility

Gold typically performs well during periods of high market volatility. The ongoing geopolitical tensions and uncertain global economic outlook have driven demand for gold, as investors seek refuge from stock market fluctuations and potential economic downturns.

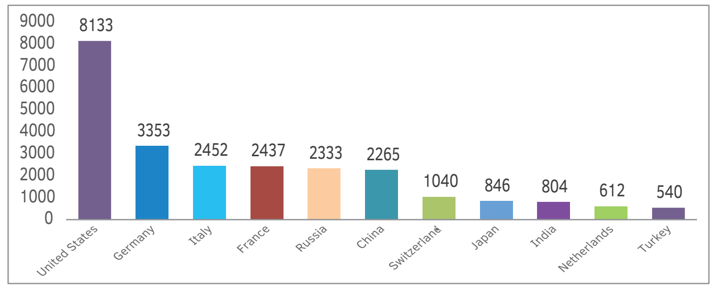

Figure 2: Gold Reserve by Countries (Tonnes) Source: goldprice.org

Demand and Supply

Gold demand is driven by various sectors including jewelry, investment, central bank purchases, and technological applications. On the supply side, challenges in mining and fewer discoveries have contributed to a tight supply, supporting higher prices.

Investment Vehicles and Strategies

Investors can access gold through various channels, each offering unique advantages:

Physical gold: Buying physical gold in the form of jewelry, coins, or bars is a traditional method. It offers tangible ownership but involves storage and security concerns

Gold ETFs: These financial instruments provide exposure to gold prices without the need for physical storage. They are traded on stock exchanges, offering liquidity and ease of transaction. Table 1 shows four top-performing gold ETFs traded worldwide. It shows that annualized return from gold investment is quite lucrative.

Ticker	Company	Performance
FGDL	Franklin Responsibly Sourced Gold ETF	19.06%
IAUM	iShares Gold Trust Micro	18.46%
GLDM	SPDR Gold MiniShares Trust	18.43%
BAR	GraniteShares Gold Shares	18.37%

Table 1: Top four gold ETFs traded worldwide as of May 31, 2024
(Source: VettaFi.com)

Gold Mining Stocks: Investing in gold mining companies provides indirect exposure to gold prices. These stocks can offer leveraged returns, as mining companies benefit from rising gold prices. But in Bangladesh, we don't have any such companies. So this can be a good prospect. If we look at Table 2 we will see that gold mining stocks are providing increasing returns compared to other investment

Ticker	Company	Performance
BVN	Compania de Minas Buenaventura S.A. ADR	162.26%
HMY	Harmony Gold Mining Co. Ltd ADR	93.31%
CDE	Coeur Mining Inc	91.67%
FSM	Fortuna Silver Mines Inc.	88.82%
NGD	New Gold Inc	79.10%
KGC	Kinross Gold Corp.	72.51%
EGO	Eldorado Gold Corp.	71.47%

Table 2: Top seven gold mining stocks traded in NYSE as of May 31, 2024
(Source: Finviz.com)

Gold Futures and Options: Derivative contracts allow investors to speculate on future gold prices. These instruments offer leverage but come with higher risk and complexity. Commodity market is expected to launch operations soon. It will begin the operation of the exchange for non-delivery cash settlements of three commodities: gold, cotton, and crude oil. This will open a new avenue for Bangladeshi investors.

Digital Gold: Emerging fintech platforms allow investors to buy and sell gold online. Digital gold offers flexibility and lower transaction costs, appealing to tech-savvy investors. Though our current regulations do not permit general investors to invest in this fashion for security purposes, it is very popular worldwide.

Risk and other Considerations

While gold is often seen as a low-risk investment, it is not without its challenges. Price volatility, geopolitical risk, currency risks, storage and insurance costs, and other opportunity costs may make it a risky investment.

Prospects for Bangladesh Capital Market

Gold has traditionally been regarded as a steady and precious asset around the world. While traditional gold investment in Bangladesh has primarily been through jewelry and actual bullion, the capital market's opportunities for gold investment are changing.

Current Landscape

Traditionally, gold in Bangladesh is purchased in the form of jewelry, coins, and bars. This form of investment is common due to cultural preferences and the perceived value as a haven. The industry's major constraint is the supply of gold, which was banned from import until the government formulated a policy and issued the Gold Policy 2018 to allow the import of gold under strict regulation. As a result, the industry had been dependent on gold supply from passengers of Middle Eastern countries under the baggage rule. Lack of government support In the past resulted in the industry's inability to develop in the areas of technology, production processes, design, and innovation of jewelry products.

However, in 2021, the government amended the policy to allow for the import of unrefined and partially refined gold and gold ore. This change has paved the way for the establishment of gold refineries in Bangladesh. Bashundhara Group is set to become the first company to establish a gold refinery in Bangladesh.

What Can Be Done?

Direct investment in physical gold is not available on the Bangladeshi capital market (stock and bond markets). According to proposed baggage rule 2024-25, only gold ornaments weighing 22 carats or less, up to 100 grammes, can be brought in. However, there are indirect ways that can be availed as gold investment to gain exposure.

- **Introduction to Gold-backed ETFs:** The introduction of gold-backed Exchange-Traded Funds (ETFs) could open new avenues for investment. Gold ETFs allow investors to gain exposure to gold prices without owning physical gold. This financial product, if introduced, would provide liquidity and ease of transaction similar to other securities in the stock market. In neighboring India, gold ETFs have become a popular investment vehicle, and a similar trend could be anticipated in Bangladesh with the appropriate regulatory framework.
- **Gold Bonds:** Sovereign Gold Bonds (SGBs) could be introduced as a government-backed security denominated in grams of gold. These bonds offer a fixed interest rate and are redeemable in cash equivalent to the prevailing gold price at maturity. SGBs provide dual benefits of price appreciation and interest income. The Indian government issues SGBs, which have been well-received as an investment option. Similar bonds could be introduced in Bangladesh.
- **Non-deliverable Gold Futures:** Non-deliverable gold futures are financial contracts that allow investors to invest on the future price of gold without physically delivering or receiving the metal.
- **Alternative Investment Options:** Some mutual funds or investment products might indirectly invest in gold or gold-related companies. Investors need to carefully assess the feasibility of their investment.

However, all these options are not free from challenges. The introduction of new gold investment products in the capital market requires a supportive regulatory framework. The Bangladesh Securities and Exchange Commission (BSEC) would need to develop and implement guidelines to ensure transparency and investor protection. Investor awareness and education are also crucial for the success of new financial products. Potential investors need to understand the benefits and risks associated with gold ETFs, digital gold, and gold bonds.

Gold is an important component of a diversified investment plan, particularly in today's uncertain global economic situation. Its historical performance, role as an inflation hedge, and appeal as a haven asset make it an attractive investment option. While investing in gold carries risks and expenses, its ability to stabilize and protect wealth makes it an important consideration for every smart investor. To maximize the return on their gold assets, investors should stay up to date on market circumstances and worldwide economic trends.

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